



**State Treasurer
Phil Angelides**



**State Superintendent of
Public Instruction
Jack O'Connell**

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**STATE TREASURER ANGELIDES, STATE SCHOOLS
SUPERINTENDENT O'CONNELL URGE FELLOW
CALSTRS BOARD MEMBERS TO JOIN THEM IN
STANDING UP FOR SCHOOLS, TAXPAYERS**

*CalSTRS Board Members Angelides and O'Connell Urge California Teachers'
Retirement Fund Board to Oppose Governor's Pension Plans that Would Take
Over \$11 Billion from Schools and Taxpayers through 2017*

SACRAMENTO, CA – In advance of today's meeting of the Teachers' Retirement Board, State Treasurer Phil Angelides and Superintendent of Public Instruction Jack O'Connell, ex-officio CalSTRS board members, urged the board to send a strong statement by opposing the Governor's pension proposals that would cost schools and taxpayers over \$11 billion through 2017.

The CalSTRS board will consider two of the Governor's pension proposals at today's meeting: the Governor's budget proposal to take an estimated \$585 million annual contribution to CalSTRS, which currently comes from the State's General Fund, and shift the cost to local schools, and the Governor's plan to privatize the State's public pension plans, replacing them with individual 401(k)-style private accounts.

"After delivering a budget that deals a one-two punch to California's kids by burdening them with new debt while underfunding education, draining scarce taxpayer resources from schools and other critical needs would be yet another step in the wrong direction," said Angelides.

The Governor's budget proposes eliminating the General Fund contributions to CalSTRS, and forcing local school districts to cover the lost funding, estimated at \$585 million next year. The proposed shift would increase school district contributions from 8.25% to 10.25%, leaving the districts on the hook for an unforeseen \$5.5 billion through 2017.

"It is inexplicable that the Governor would shift an additional burden to our classrooms at a time when California schools are nationally recognized as being under-funded," said State Superintendent of Public Instruction Jack O'Connell. "Furthermore, as a former teacher and a member of STRS myself, I am incensed that the Governor's proposal gouges this important lifeline for educators once they retire. Providing a secure retirement through STRS is especially important because teachers are ineligible for Social Security."

The Governor's proposal to privatize the pension funds would also prove costly, resulting in \$5.9 billion in additional costs to California schools and taxpayers over the plan's first 10 years.

Taken together, Governor Schwarzenegger's proposed changes to the teachers' retirement plan would cost schools and taxpayers over \$11 billion through 2017. The average annual cost would be enough to educate 140,000 California children every year. This is in addition to the Governor's budget proposal to underfund Proposition 98, the voter-approved school-funding guarantee, by \$2.3 billion, after vowing to do so only "over my dead body."

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